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RUEHNO/USMISSION USNATO 1707  
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C O N F I D E N T I A L SECTION 01 OF 02 DUSHANBE 001620

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SCA FOR DEUTSCH; NSC FOR MERKEL; E FOR HENGEL AND DUNCAN; EMBASSY MANILA PLEASE PASS TO ADB AMBASSADOR SPELTZ

E.O. 12958: DECL: 8/29/2016

TAGS: [PGOV](#) [PREL](#) [ECON](#) [ENRG](#)

SUBJECT: REGIONAL INTEGRATION: TAJIK ENERGY MINISTER SAYS "DON'T WORRY ABOUT SOCHI!"

REF: A) DUSHANBE 1593 B) DUSHANBE 1599

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CLASSIFIED BY: Tom Hushek, Charge d'Affaires, U.S. Embassy, Dushanbe, State.

REASON: 1.4 (b), (d)

1. (C) A rumored Russian-led hydropower consortium will not threaten a U.S. company's plans to export Tajik electricity to Afghanistan. Energy Minister Asadullo Yerov told PolOff August 28 that the "informal discussions" at the August 15-17 Eurasian Economic Community (EurasEC) meeting in Sochi, Russia were largely to pressure Uzbekistan to cooperate with regional countries on energy issues. "We made it clear that we had already signed an agreement with AES to export electricity to Afghanistan-any EurasEC arrangement would not affect that at all." He emphasized that Tajikistan no longer wanted to lose billions of kilowatt hours of excess electricity every summer, and if Uzbekistan would not buy the surplus, as it had in the Soviet period, the Tajiks needed to sell it elsewhere.

2. (C) Yerov hinted that most of the discussions at Sochi, regarding energy and customs unions, attempted to force Uzbekistan to cooperate with the other EurasEC members. "As former Soviet republics, we have a history of cooperation on energy issues," he observed, but he downplayed recent internet reports about Russia organizing a common energy market. (NOTE: In addition to Russian and Central Asian media coverage, an August 25 article on the Asian Times website suggested the energy part of the EurasEC meeting had been kept confidential, but was designed to compete with the U.S. regional integration strategy. In earlier meetings with EmbOffs, Foreign Minister Nazarov and Presidential Advisor on Foreign Policy Rahmatulloyev carefully dismissed the questions about energy policy talks at Sochi (reftels). END NOTE.)

3. (C) Yerov reported that his ministry had signed the final documents for AES to commence its feasibility study to construct 220 kV lines to the Tajik-Afghan border, and told PolOff he had designated first Deputy Minister Pulat Mukhidinnov as the point of contact for the project. Yerov noted the Asian Development Bank was currently hosting a delegation in Dushanbe, including Energy Specialist Xavier Humbert, which was looking at financing the AES transmission lines project.

COMMENT:

4. (C) Compared to Nazarov and Rahmatulloyev, Yerov directly addressed U.S. concerns about Russian intentions in the energy sector and acknowledged Tajikistan's commitments to AES and to Afghanistan. He made the same statements in June, when RAO UES

proposed selling excess electricity to Uzbekistan, suggesting that as Tajikistan tries to balance the increased interest (and pressure) in its energy sector, it also understands the importance of honoring its agreements. Tajik officials also perceive Uzbekistan as an unreliable partner and recognize their interest in looking for alternative outlets for Tajik energy and other goods.

15. (C) Excess electricity is one of Tajikistan's few resources and fewer bargaining chips with its neighbors. Most Tajik officials--particularly Yarov and energy czar Deputy Prime Minister Ghulomov -- talk enthusiastically about exporting to Afghanistan and Pakistan. If the United States wants to keep Tajikistan engaged and looking towards South Asia, we will want to make sure that when the transmission lines to the Afghan border are completed in 2008, there is a viable electricity network to hook into. Otherwise, Tajikistan will have to look elsewhere to sell its summer electricity, and its old Soviet

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trading partners might look appealing again. END COMMENT.HUSHEK